

California Strategic Growth Council

March 3, 2014 Meeting Minutes--DRAFT

Council Members Present:

Chair Ken Alex, Director, Governor's Office of Planning and Research (OPR); Vice-Chair Bob Fisher, Public Member; Secretary John Laird, California Natural Resources Agency (CRNA); Secretary Matt Rodriguez, California Environmental Protection Agency (CalEPA); Secretary Diana S. Dooley, California Health and Human Services Agency (CHHS); Deputy Secretary Kate White, Environmental Policy and Housing Coordination, California State Transportation Agency (CalSTA); Undersecretary James N. Undersecretary Goldstone, Business, Consumer Services and Housing Agency (BSCH); Deputy Secretary Jim Houston, Legislation and Public Engagement, California Department of Food and Agriculture (CDFA)

1:08 p.m.

Agenda Item #1: Call to Order

Chair Alex called the meeting to order.

Chair Alex: Welcome Kate White, Deputy Secretary of Environmental Policy and Housing Coordination for the California Transportation Agency. We welcome Jim Houston, Deputy Secretary of Legislation and Public Engagement, on behalf of Secretary Karen Ross of the California Department of Food and Agriculture (CDFA). We are happy to add CDFA to the Strategic Growth Council.

Agenda Item #2: Remarks by New SGC Member Agency: California Department of Food and Agriculture (CDFA)

Deputy Secretary Jim Houston, Legislation and Public Engagement, CDFA:

Secretary Ross has a conflict; otherwise she would be here. There's a lot of synergy between the work of CDFA and SGC. It was two years ago that I learned about the SGC and it was through our work with the Health in All Policies and Farm-to-Fork work. The Secretary's priorities and where she thinks we can help is really going to be focused on rural areas and the needs of those communities and their planning needs. Sometimes the needs of those in rural areas are different than for those in urban areas. The connection of that and where our food is grown and accessibility to food is something that is really important to all Californians. We are learning how this all fits together. The drought highlights the need for sustainable planning that integrates climate change adaptation to provide better access to food. We are also looking forward to work in areas we do not even know about yet, particularly transportation.

1:10 p.m.

Agenda Item #3: ACTION: Approval of the December 11 Council Meeting Minutes

Councilmember Laird motioned. Councilmember Rodriquez seconded the motion. The motion passed unanimously.

Yes-No-Abstain: 8-0-0

1:12 p.m.

Agenda Item #4: Discussion: Executive Report

Mike McCoy, SGC Executive Director: Thanks to the High-Speed Rail Authority, we have recruited, interviewed, and selected a Regional Advanced Mitigation Planning (RAMP) Coordinator. Dennis Grossman, from Washington D.C. and the former Chief Ecologist of the nation's Nature Conservancy, will be serving as the RAMP Coordinator. Denny has extensive experience in this field.

Chair Alex: Grossman said the High-Speed Rail regional advanced mitigation is the most important regional advanced mitigation project in the world.

McCoy: In other news, we have three studies that the SGC staff is assisting with. One is a public finance policy barriers study being conducted by Caltrans. Another is a private-public possibilities study being done by a private consultant engaged by Caltrans. Third is a study at UC Davis looking at the question of "How do we bring regional advanced mitigation to scale?" to make it the new norm.

Undersecretary James N. Undersecretary Goldstene, Business, Consumer Services and Housing Agency (BSCH):

Please explain RAMP.

McCoy: General rule of thumb, mitigate on-site in-kind for impacts to biology. This resulted in more than 12,000 EIR's filed. That means that are 12,000 little mitigation sites all around the state. Around the early 1990s, biologists felt that this was not amounting to what it should. Regional Advanced Mitigation Program is taking more of an aggregate approach to find truly meaningful biological preserves to integrate into those projects.

Secretary Batjer at GovOps has indicated willingness to collaborate on public schools construction department within the Department of General Services.

Regarding barriers to infill, we are continuing to wait the completion of the study the Council authorized last fall. I'll let Bob Fisher provide an update later. He has met with the group.

Regarding infrastructure planning, the Council is required by statute to review and comment on the Five-Year Infrastructure Plan, and what that means, is what we are trying to determine. This investment should be consistent with the State Planning Priorities and the Environmental Goals and Policy Report should there be one. We have sampled a number of departments in different agencies and have found a number of different methodologies to look at proposals to go into the budget. In the current budget, that exceeds \$56 billion in infrastructure. It's a sizable investment and it should probably be consistent with what we are trying to accomplish in the state. We want to try and bundle that together to try to get a thorough understanding of what the landscape looks like today in terms of practice. We want to come up with some options for you about how to advertise what is being done today, or normalize what is

being done today. I think we still don't have an answer to Secretary Rodriguez's question, about what are the options. We will come back to you when we do.

Vice Chair Fisher: I read the Five-Year Infrastructure Plan and there are a lot of things that are not included in that plan. Transportation funding is generally separate. As is High Speed Rail. There was nothing in the plan regarding water infrastructure, K-12 schools, energy grid. The amount of capital spending in the state is way beyond \$56 billion per year, I am sure. I think this group has a role, and when I joined this group, it was because it was going to focus on strategic growth of the state. We can't do that until we get all this funding in total. I would like to ask staff to put together a list in general, large buckets, where the infrastructure spending in California is going on and then I think we can start to dial down on that and look at what is the criteria for that spending, does it comply with the state's planning objectives and the state's environmental policies. I think this will give us a view to the big picture and I also think we need to understand performance metrics. Are performance metrics being used, for example, in our transportation spending? I think this group has the perspective to do this. No one else is looking at all the infrastructure spending and I think we are spending too much not to do it well. I just encourage us to think as big as possible then we can focus down.

Chair Alex: This area has traditionally being the domain of the Department of Finance and I don't think will be easily relinquished. That being said, understanding the nature and extent of infrastructure spending initially, and then trying to figure out where the places this council could have an input and impact would be extremely valuable.

Councilmember Rodriguez: I agree with Vice Chair Fisher to "think big." I think the intent is to have this Council, who influence a lot of infrastructure planning, and to use the Council to influence the plan to and bring the viewpoint of the various agencies to the plan to influence the plan. What is the best way to influence the plan? It does reflect on the mission of the SGC and I look forward to hearing more about ways to do this.

McCoy: I agree with Member Fisher that understanding the breadth of infrastructure spending is needed. We started closer to home with the member agencies here, but there is no doubt that large expenditures from departments not represented, such as education. We will come back with some options, and hopefully in the meantime get some input from all of you.

Councilmember Laird: The Finance Department was going to issue the five-year infrastructure plan before Proposition 30 appeared on the ballot. It was a wise call to delay the plan after the passage of Prop. 30. It is not politically accomplishable to spend so much. Strategic growth is not just much better for the transportation and the environment, but consider framing it as a strategy for us to be more economical.

Councilmember Dooley: Maybe I misunderstood Bob's question. I thought he wanted to look at what is currently being spent on infrastructure and look through the lens of strategic growth. Asking for clarification.

Councilmember Laird: If it's inventory of what exists, it's not a big deal.

McCoy: This is an inventory. If you look at need, just the deficit need in transportation alone.

Councilmember Dooley: If you look at need, I would invoke an often used phrase by Governor Brown: "Desires are endless. I vow to cut them down."

Councilmember Laird: It's a rare moment when Zen and Finance overlap.

McCoy: We will look at the framework and report back to you periodically. With regards to implementation of plans, the Metropolitan Planning Organization (MPO) Self-Assessment process is winding down, the final draft is being written and we will get an update later today.

With regards to local governments implementing the UrbanFootprint module, which is very popular, I would say more than 60% of California's population is in an area being planned using the module. The new milestone is that UC Davis has the model and has designed a curriculum with the Office of Planning and Research to begin classes by the end of this month. They will be training a pilot group of land use planners from MPOs and cities to learn and utilize the UrbanFootprint module. We are working toward making this a publicly available tool for planning throughout the state at little to no cost.

Friday was the deadline for Round three for Sustainable Communities Planning Grants. We have 89 proposals totaling almost \$42 million in requests, competing for about \$16 million. We will have panels of three read, score, and rank the proposals. We will return to the June meeting with our recommendations for the rewards.

Likewise, the Urban Greening program has \$22 million in its last round. And they received concept proposals from 189 entities totaling \$125 million in requests. 66 were invited to full proposal to compete for the \$22 million, which will be coming to you in June as well.

With regards to outreach, we continue to support the Sustainable Communities Learning Network, the California Resources Sustainability Inventory, and other tools and information sites where our grantees and others can swap ideas with each other.

On geospatial data, Terry Watt has been added to the group of people we're consulting with on the business of how do we create something that's truly interactive, web-based, has data and tools of users to organize, analyze and share information.

With regards to High Speed Rail station area planning, HSRA has given SGC another position to recruit for a senior planner to work especially in the San Joaquin Valley, consulting with communities who are directly and indirectly affected by High Speed Rail. We will be coming back with that candidate very soon.

There will be updates on the Funding Wizard which is Agenda Item 8.

1:38 p.m.

Agenda Item #5: Discussion: Council Communications and Updates

Chair Alex: Are there updates from councilmembers?

Councilmember Laird: The budget has come out since this group met last. We at Resources are looking at sustainable land stewardship and there is money in the Governor's budget in the Cap and Trade Proposal for agricultural land preservation that might have to come through the SGC. I just want to put that on people's radar. We also have the Parks Forward process and the first pieces of that report will be coming out in draft in April. The idea is trying to accomplish what comes out of that process in the budget a year from now. RAMP got mentioned, ag land preservation in Cap and Trade, wetlands and fish and wildlife was referenced in Cap and Trade. We are looking at mitigation banking and the different things it takes to implement that on an administrative level. Across all these different places, we are looking to see how are public lands are sustainable and provided stewardship.

Regarding the drought, a week ago we were in Willits and Ukiah. This week we will be meeting in Merced, and we are meeting with groups all across the state. The last meeting of this group was six days after the last rainstorm where we went 52 days since we got any rain. If you look at the percent of snowpack, we were at the same level of 1977, the previous record drought. We at the state and federal level were given zero percent allocation to the State Water Project. Low flows mean questionable salinity levels in the San Francisco Bay and not having it come in the delta. In 2013, we had zero fires that CalFire fought in the month of January. In 2014, we had over 425 fires; even had two fires in Humboldt County, one of the wettest places traditionally in the universe. The Governor issued his declaration of state of emergency and I think its important to understand one thing. Some people default to their traditional politic positions: this is choosing one group over another, nothing in the water system, laws, allocations, thought we would have a level this low. What we are doing is balancing the system at a historically low level. If we had released the water we were supposed to release for salinity in fish in February and March, there is a chance we would not have any water at all in September and October to release to keep the fish alive that we released in February and March. With the public, it is very difficult to understand the direness of the situation.

Vice-Chair Fisher: I wanted to give a update on infill finance work that has been going on for several months. The SGC has engaged EPS (Economic Planning Systems) to prepare an assessment for infill development infrastructure financing options that consider real world development test cases. This is largely a result of the loss of redevelopment financing. We decided to look at what the world would look like without redevelopment. There are four test cases going on: Bay Area in Concord, Sacramento, Fresno, and Los Angeles in Southgate. The consultant is looking at current financing mechanisms, alternative financing mechanisms, and potential new revenue streams and funding sources. We had a meeting in San Francisco to ground truth the initial findings in making final recommendations. The consultant will likely be coming to the Council in June to present the report and make recommendations. The unintended consequences of cutting off redevelopment has made infill development much more difficult and the development is moving to the fringe.

The Governor is certainly not trying to push out infill development and towards sprawl. Hopefully we will have some recommendations. Steinberg had a bill last year, not sure on status. We would have to recognize in lieu of infill financing, we are getting the kind of growth we don't want.

Chair Alex: SB 1 is a two-year bill. I suspect redevelopment will be part of the discussion. OPR updates include several documents in progress: the EGPR, General Plan Guidelines updates, revising CEQA Guidelines, replacing Level of Services with alternative metrics and measures for traffic delay and congestion per SB 743. We encourage your participation, and you can sign up to the OPR listserv to receive updates.

Vice-Chair Fisher: How are we considering water in the General Plan Guidelines update?

Chair Alex: There are multiple areas under general planning laws that involve water-related issues. As are climate change considerations in the general plan guidelines.

Councilmember Laird: There was a naive assembly member who wanted to get a water element on the general plan. There are requirements, but only in developments of 500 units or more. There are efforts to integrate that but it still is a very open question. The CEQA guideline update is against existing law. Can we get the underlying law to change?

Vice-Chair Fisher: Is this an opportunity for Laird and Alex to support?

Councilmember Laird: We are not free agents. We will have to see how it fits in the general scheme of things.

Chair Alex: There are specific plans with the Water Action Plan and plans with groundwater and climate change recharge. There are serious discussions going forward.

Houston: CDFA and Ag Innovations Network are working on assessment for farm worker housing and transportation needs. We are looking statewide and in the Central Valley to identify infrastructure needs. This will inform planning decision-making. CDFA is hosting a roundtable to understand hunger among agricultural and rural communities. CDFA is looking at the San Joaquin Valley Partnership with Secretary Dooley, to understand the synergy between planning and agriculture.

1:53 p.m.

McCoy: There were two more pages to the Executive Report, with quarterly updates on Health in All Policies. I want to recognize the staff for their leadership in coordination and collaboration in that group.

1:54 p.m.

Agenda Item #6: Transportation Agency Reports

Deputy Secretary Kate White, Environmental Policy and Housing Coordination, California State

Transportation Agency (CalSTA): Secretary Kelly was pulled into a trade meeting in Mexico City and Undersecretary Annis is at a hearing today about the same issue.

We are a new agency and we were born on July 1, 2013. CalSTA consolidated eight different departments including HSRA, Caltrans, DMV, and CHP bringing them under one State Transportation Agency. It was under the reorganization of the state's agencies—the largest since 1968. Secretary Kelly wanted to take the opportunity of the reorganization to determine our priorities for investment, which led to the development of the California Transportation Infrastructure Priorities (CTIP) interim report and recommendations. The Governor called for the second report: State Smart Transportation Initiative (SSTI), which is an external assessment of Caltrans. We have a six-month contract with SSTI to form recommendations for action. Both reports are online: www.calsta.ca.gov

The vision of the CTIP work group:

- Transportation Vision
 - Efficient flow of people and goods on a well-maintained system that is operating at optimal performance.
 - Fast, clean, efficient, and convenient alternatives to vehicular travel, and provide cleaner vehicles on our roads
 - State and local transportation investments must yield a single transportation system to meet our shared objectives

According to the survey, biking, walking and transit use have doubled within the last decade. But 75% of trips are still made by single occupant vehicles. What do we need to invest in to really make a change? We have been doing soul searching to determine the state's role in the world of decentralized local transportation investments that happen in our state with our regional transportation organizations and our MPO's. Consensus – we need an integrated system. We need to move beyond mobility and safety. Mobility should include not just access by cars, but multimodal transportation. Sustainability should be a third objective in the state's transportation system.

Five core concepts to improve the state's transportation system: preservation, innovation, integration, funding, and reform.

On preservation, we have learned that state's transportation system is reaching or exceeding its original useful life. We have 40, 50, 70 year-old highway systems and infrastructure that needs to be repaired. We spend a lot of money on expansion there is a huge gap—seven billion a year—to bring the current system up to date. There is an emphasis on “fix it first” and making our current system operate more efficiently before expansion. There is an opportunity to use more energy efficient materials and equipment. I know Chair Alex has been interested in the pavement replacement materials. Can we think about porous material to prevent runoff, et cetera?

Secondly, innovation. Innovative approaches to transportation and environmental challenges. We have discussed RAMP for a long time. We are focusing on technology to improve the performance of our transportation system so we can get more about what we have. On High Speed Rail, we have several examples to look at throughout the world to use the best strategies and best practices. We are also looking at providing modes of travel that are faster and cleaner than traditional modes and using viable alternatives to driving.

Third concept is integration. SB 375 was a game changer by integrating multimodal transportation, housing and commercial development with open space and the state needs to catch up. Because of SB 375, which is a state law, regions were in the innovative drivers of how to grow sustainably. The state needs to work with those regions and be an integrated part. There is a need to integrate statewide transportation planning with regional transportation planning. For example, integrate transportation planning for freights and bus lines to support interregional travel.

The fourth concept is funding. There are many benefits of cleaner vehicles include energy efficiency, greenhouse gas reductions, improved air quality, but it also means we are seeing a drop off of fuel excess tax and gas tax. What are some new forms of funding for transportation. Before we go to the taxpayers for a bond or additional funding, we need to develop a long-term vision for that money. Also,

since the transportation sector produces 40% of the state's GHG emissions, there is funding in the budget for transportation.

2014-15 Governor's Budget:

- Cap and Trade Funds
 - Rail modernization - \$300 million
 - Sustainable Communities - \$100 million
 - Clean Vehicle Programs - \$200 million
- Transportation Loan Repayment:
 - Local streets and roads - \$100 million
 - Highway pavement and maintenance - \$137 million
 - Traffic management systems - \$100 million
 - Active transportation - \$9 million
 - Environmental mitigation - \$5 million
- Appropriate Bond Dollars:
 - \$793 million local transit
 - \$160 million Amtrak intercity rail service
- Reinvest bond savings: \$113 million

Ongoing Work: New revenue sources for transportation

- Voter threshold for local sales taxes: looking into feasibility of lowering this
- Mileage-based user fee: pay based on how much you drive
- Pricing assets: fees and tolls
- Goods movement
- STIP Performance Measures

Reform: With the reform effort, SSTI has been looking for many months at Caltrans. SSTI completed over 100 interviews of external and internal stakeholders for Caltrans assessments. Key findings include:

- Mission, vision and goals not aligned with current conditions or demands
- Skills and practices that do not match modern demands
- Managerial systems and practices inadequate to motivate, hold accountable, foster innovation; one director called it a "culture of resignation"
- Many strengths: dedication or leadership and staff to public service; open to embracing change

SSTI Recommendations:

1. New Mission, Vision, Goals
2. Match Investments to Policy Goals
3. Utilize new Agency
4. Align Resources to Goals
5. Reform guidance and operating procedures
6. Strengthen strategic partnerships
7. Focus on freight, interest in CARB Freight Resource Management report
8. Improve communication
9. Manage for performance, long term outcomes for state's transportation system.
10. Foster innovation and evolution, needs to be a culture shift.

Chair Alex: Thank you very much. SGC and OPR are working closely with Caltrans and Transportation Agency. This is a very important and difficult task that is being undertaken. The report was tough but fair, and we look forward to helping in this process.

Vice-Chair Fisher: You listed ten recommendations. What are your priorities?

Deputy Secretary White: The recommendations are broken out into immediate actions in the next few months, then some mid- to longer-term recommendations. Some of the immediate actions are a new mission and vision for the department, and we have jumped on that. Also, new urban design guidance for local streets and roads or state-owned roads that serve as local streets and roads, and how those serve multiple modes and not just car through-put. They specifically urged us to look at National Association of City Transportation Officials guides (NACTO), which we hope to do some type of endorsement or adoption of these guidelines soon. Also, related to SB 743, to relook at using level of service metric for new development projects, we are already working on this, but SSTI says that rethinking that could be a national leadership move. LOS is used all over the country and we could provide something more a little more forward-looking than just traffic at a particular intersection, that could have a significant impact nationally.

Vice-Chair Fisher: What about the relationship between the agency and the California Transportation Commission (CTC)? What are the opportunities there?

Deputy Secretary White: SSTI was very focused on Caltrans. CTC has authority over Caltrans' budget. They approve approximately \$10 billion in transportation projects every other year. There is a need to explore how these projects, including regional and interregional projects, stand up to the state's larger environmental and planning goals. That type of analysis is not currently being done, and SSTI is indicating that is something that needs to be done.

Chair Alex: The agency has kept on SSTI for another six months to help with implementation.

2:26 p.m.

Public Comment

Jack Shu, National Forest Foundation: Want to commend Secretary Kelly for implementing this study. Cleveland National Forest Foundation realized that the threats to the forest involve regional land use and transportation issues. CNFF is involved in two litigation issues: one with the San Diego Association of Governments (SANDAG) and one with Caltrans. I want to describe our legal issue with Caltrans. We don't like litigation. We did everything we could to avoid litigation. We worked with these agencies to provide commentary during the EIR process. Yet, these EIR plans came out with disastrous outcomes. I want to talk about Caltrans and I will explain the litigation process---

Chair Alex: I come from the Attorney General's Office so we're familiar with this. Can you focus on the comments and not the litigation process?

Shu: Seems like Caltrans fought us throughout the whole process in regard to protecting sensitive populations and the negative impacts of development, in this case, widening of Interstate 5. Caltrans approved the EIR first, then released it to the public, which excluded us from making final comments on

the EIR. Caltrans knew that greenhouse gas emissions were going to increase and yet they went ahead with no alternatives. To make this study effective, we need a wakeup call for Caltrans. Please recommend Caltrans to have a one-day shutdown to reevaluate its highway projects to change the organization now.

Robert Ogilvie, ChangeLab Solutions: We are a nonprofit organization and active with the work of HiAP. We are happy that SGC is dedicating \$100 million of Cap and Trade funds to active transportation. We want CDPH and CHHS on the list of developing program guidelines, since there is a huge connection between sustainability, developing health and equitable lens in grant making. We just want to make sure that health is at the table. We want to advocate that a portion of the \$100 million for local streets be spent in ways that would encourage active transportation. As the guidelines are being developed for that, want to ensure health is central to that development.

Chair Alex: Clarify that legislature has to approve the budget. Encourage you to let legislature know as well as SGC.

Ogilvie: As a 501c3 we are prohibited from lobbying but we are happy to educate lawmakers.

Terry Parker, California Walks: Wendy Alfsen is the Executive Director of California Walks. She had to leave for an Assembly hearing. We commend CalSTA for taking on this study and support the implementation of its recommendations, especially in regard to active transportation, sustainable communities, climate change reductions and sustainability, and we are ready to support your efforts.

Joshua Stark, TransForm: Review by SSTI is refreshingly candid and detailed critique. Caltrans needs to be in the business of reducing vehicle travel. Specifically, Caltrans focus on old standards that favor expanding roads over all else, must end. While this is not the first report slamming Caltrans, we see a difference today. We see tremendous leadership from Gov. Brown and Secretary Kelly and a stated desire for change from the Caltrans Director. Over the next year, TransForm will make it a priority to build statewide support for some of the recommendations. TransForm's executive director couldn't be here because he is providing testimony at an assembly hearing on this issue. That testimony will include support for use of the guide on urban design put out by NACTO rather than their highway design manual, which is inappropriate for use for city streets; to support under SB7 143 alternatives to levels of service. TransForm is interested in VMT reduction as a potential metric at this point but we are open to discussion on this issue; to support Smart Mobility Framework which makes highway expansion a last resort and includes working with stakeholders to develop land use transit, van pooling or other strategies; and last TransForm is supportive of adding sustainability to one of Caltrans' three important vision and goals.

Chanell Fletcher, Climate Plan: We are a statewide coalition of nonprofit organizations to advance sustainable communities. Climate Plan supports SSTI findings and supports implementation of the recommendations. We feel one of the first priorities should be working with other state agencies to ensure the success of SB 743. With the elimination of LOS, this is an exciting opportunity to develop a better measure to assess environmental impacts and promote infill development and active transportation. We also feel that Caltrans should move quickly to promote multimodal access in urban areas. We support adopting the NACTO guidelines for streets. We hope that SGC will partner with Caltrans and CalSTA to ensure that these recommendations are implementation.

2:41 p.m.

Agenda Item #7: Discussion: Metropolitan Planning Organization Sustainable Communities Strategy Self-Assessment Update

Allison Joe, Deputy Director, Strategic Growth Council: We will walk you through what the assessment was and the process of conducting the self-assessment report, as well as a preview of some recommendations. In June 2014, we hope to bring back actions to the Council.

Ted Holzem, Mintier Harnish: We have some preliminary findings and observations. We are still working with the MPO staff to refine the input. There are a lot of different views and perspectives that we are hoping to build consensus on. We hope to finalize the report and release it in the next couple months. The process of the report was to evaluate the experiences of preparing the first round of Sustainable Communities Strategies (SCS) as part of the Regional Transportation Plan (RTP) process, as well as the Regional Housing Needs Assessment, now that they are all tied together. Also to identify successes and recommend improvements for future rounds.

Positive Outcomes of SB 375

- More involvement in RTP process
- Greater understanding of the connection between transportation planning, land use, housing and the environment
- Greater cooperation and more partnership among government: locally, regionally, and statewide
- Greater emphasis on different modes of transportation than in the past
- Improvements on performance tracking and monitoring: models have improved; SGC funded model improvement work and the MPOs are grateful for that; increased emphasis on land use and housing have increased the scope and type of metrics being used
- Greater public and local agency participation

Regional Characteristics

- Large v. Small MPOs
 - capital/operating budgets
 - staff resources
 - modeling requirements/capability
 - established transit systems
- Rural v. Urban
 - More growth focused on urban areas which will reduce transportation to rural areas; rural communities are asking what incentive do they have to implement SB 375 when growth and transportation investments are being focused in urban areas?
 - Concern that rural communities will not develop consistent with the RTPs when the economy improves and development increases because they don't feel they have a place in the RTP/SCS plan

Obstacles to Implementation

- For MPOs
 - Competing federal and state objectives

- Conflicting stakeholder expectations
 - Greater resource and funding demands
 - Limited infrastructure and transit funding
- For Local Government
 - Lack of tools for infill (i.e., no redevelopment),
 - Aging water/sewer infrastructure to support infill and higher-intensity development
- For Developers and Stakeholders
 - High design, environmental analysis, and constitution cost of infill and mixed-use,
 - Public opposition to higher densities and intensification of uses

Topical Issues and Challenges Addressed

- RTP/SCS update timing and resources
 - Took 2-3 times longer to get through process
 - Cost 2-3 times as much
- GHG target setting process
 - MPOs working with California Air Resources Board to improve the process
- Public outreach and education
 - SB 375 is specific on requirements; MPOs felt the requirements did not fit well with their process and would like greater flexibility on outreach; stakeholder fatigue due to multiple meetings on similar topics
- Models and data
 - Want additional funding for model improvements
 - Need to manage expectations from stakeholders on model capability and uses
- Performance measures
 - Where the data comes from and time and resources needed to prepare the data for use
- RHNA process and determination
 - MPOs working with Department of Housing and Community Development to improve this process
- CEQA review and streamlining
 - Litigation, fear of litigation and how much time to prepare a solid Environmental Impact Report
 - Streamlining is too onerous and difficult to meet the requirements to be effective; only two communities in the Sacramento Area Council of Governments (SACOG) region have utilized SB 375 streamlining options; others feel they will be litigation test cases if they try
- Other issues and challenges

Recommendation Categories

- Changes to state statutes and administrative actions that improve process and outcomes
- Assistance and resources for RTP/SCS updates, program implementations, and performance monitoring
 - Assistance with specific RTP/SCS tasks (e.g., data gathering)
 - Funding to prepare, update, and implement RTP/SCSs
- Funding for regions to allocate to local agencies for transportation infrastructure and transit service

- Resources and funding for local agencies to build, operate, and maintain transportation systems
- Identify issues for further dialogue among agencies

3:04 p.m.

Undersecretary Goldstene: What is the outcome we're expecting from the self-assessment? So far, from what we are hearing, we already knew. When we are commissioning reports like this, maybe we need to be more careful about the framing of the questions. I am concerned that only the MPOs are giving input. As you are finalizing this report, will you seek input from others before you make final recommendations? For example, housing experts on the issue of RHNA.

Holzem: This is very high-level. Under each issue topic, there will be anywhere from 6-12 issues elaborated upon with specific recommendations. There will be some things that are new, but many have already been talked about. We are working with Allison Joe to engage stakeholders to weigh in our recommendations such as state agencies. Our consulting team consists of housing and transportation planners, our hope that our experience is incorporated as well as practitioners at the local level.

Joe: This self-assessment allows us to pause and reflect. Most of the SCSs have already been adopted, except for the Valley, and they are already in the middle of their second round. This assessment gave them an opportunity to take a break and think about how there could be meaningful changes to the process, how they did it and to recognize those differences based on size and urban and rural. What we want to do as a council is bring to you the opportunity for adjustments. If there is anything from the state side that we can do to help with that process and with the end results, we would like to acknowledge them.

3:08 p.m.

Vice-Chair Fisher: The bill came out of legislature. How can we circle back with them?

Joe: We are hoping to release the report to the public and the legislature. There are interests similarly in how the MPOs addressed these challenges where there might be some legislative fixtures.

3:09 p.m.

Jana Clark, Cleveland National Forest Foundation: We have worked with SANDAG on the RTP process and more recently, the SCS process, in San Diego and we wanted to share some insight on that experience. If critique of Caltrans is correct, MPOs shoulder most of the responsibility because they set the framework for the transportation planning investments in the state's metropolitan regions. We are dismayed that the comments from the MPOs in the self-assessment process focuses not on innovative transportation options but on staff frustrations over the process itself. Staff have expressed concerns over having to meet with the public and elected officials and having to educate the community, and have lashed out at CEQA for it not good for SB 375 and the RTP/SCS process. We find it especially concerning that the MPO is blaming CEQA rather than their own poor planning for their plan's failure to achieve SB 375's intended goals.

Without CEQA, both I-5 and SANDAG's 2050 RTP/SCS would have made a mockery of AB 32 Executive Order S-3-05 and SB 375. While MPOs blame CEQA, we hope SGC will ask MPOs assess the efforts to that they must take to meet the goals of SB 375 (i.e. reduce greenhouse gases through coordinated land use decisions.

Chair Alex: There are a number of state agencies that are required to review the SCSs. They have expressed some issues and worked with the MPOs to improve them. This process is new. Some of that is through CEQA, and some of that is through litigation, and through various efforts we'll come to a better process.

Councilmember Rodriquez: How do we ensure we get a variety of perspectives on this process?

Joe: We have identified that as a need. Not just recognize internal process of MPOs, but also how the process might be useful for other stakeholders. I would like to see where the initial report takes us and engage how we might be able to bring in stakeholders to provide either a separate assessment rather than comment directly on the report, although that is an option as well. I think some discussion from other stakeholders would be valuable as well.

Councilmember Rodriquez: Before report is finalized, the other perspectives will provide context for the report, I would like some suggestions from you.

Joe: The context is important. We will come back with recommendations in June 2014.

Councilmember Laird: If we are not trying to have them comment on the report, why are we waiting for the draft report?

Joe: They are welcome to comment on the process, but this draft would provide a mechanism to get that feedback.

Councilmember Laird: Wouldn't it help to get stakeholder comments before June? The stakeholder issues are to look at whether or not some of this is working. The sooner we get those perspectives, the better it informs the process.

Chair Alex: I want to be a little protective of staff. We needed to engage a consultant to create the report because of staff capacity.

Councilmember Laird: Within the context of being understaffed, let's figure this out.

Chair Alex: This process is difficult. We have a number of state agencies that have different perspectives on this from a state agency perspective. We approved as a board to get feedback from MPOs. Those are two significant pieces. We also need to get stakeholder input. We need to determine our approach to stakeholder engagement with respect to staff capacity.

Councilmember Laird: I come from this perspective as a former Chair of an MPO, and how they are immune from a lot of direction from the state. What are we going to do to get to these real issues?

Holzem: The focus of this—this is a self-assessment. The outcome is supposed to reflect the perspectives of the MPOs. We talked about taking this around to some of the state agency staff, not as a critique but to share the recommendations and moved to a high priority. Involving stakeholders in the review—but what would the outcome be of the critique?

Undersecretary Goldstene: We need to know the context of this report. We need to know how this report is framing the observations and recommendations.

Councilmember Rodriquez: I understand the narrow scope of what you were asked to do. But when we hear legislative fixes and recommendations, we need to determine our next steps in the context from all stakeholders involved in the SCS process. Possibly having some earlier stakeholder input so that what come out in terms of your recommendations will be more meaningful to us, or we could get the report and then we can make arrangements to get the stakeholders input before we make a final decision on how to move forward.

Chair Alex: He was hired to do something specific.

Councilmember Rodriquez: I'm asking the staff to do this.

Chair Alex: There are three asks:

- State critique of MPO process
- MPO self assessment
- Stakeholder input piece of the MPO process

Joe: MPO self-assessment in draft form is on track. I want to be able to make sure to deliver what you want. The goal is to move us along and provide the appropriate kind of feedback so that staff can bring a recommendation to the Council.

Holzem: There are several other efforts to evaluate the implementation of SB 375, so there are other things that can be brought into this larger assessment.

Chair Alex: We had a discussion previously about not having four separate assessments that lead to four separate conclusions.

Public Comment

Chanell Fletcher, Policy Coordinator, Climate Plan: Within the scopes of the contract, there is a lack of good data to support some of the use of the performance metrics to look at implementation of SB 375. We think data is critical. We want to suggest that MPOS and local governments to consider ways to improve data collection to ensure that we are tracking our progress.

3:25 p.m.

Agenda Item #8: Action Item: Priority Outreach Projects

Liz Grassi, Program Analyst, Strategic Growth Council: To review the goals for the Outreach Program, outlining our request for funding, providing a brief overview of each project, and laying out a proposed timeline for these projects.

Council goals for outreach projects:

- Assist local governments and regional agencies
- Coordinate state agency activities
- Identify needed resources
- Advance the state's planning priorities
- Leverage and rely on SGC's multi-agency structure
- Create the potential for significant positive impact

Request the council authorize the staff to expend funds for two priority outreach projects:

- Understanding Approaches and Best Practices for Successful Implementation (\$50,000)
 - Understand the status of projects and implementation progress for selected Round 1 Grantees
 - Identify common themes, best practices, including barriers, champions, actions that influence implementation
 - Provide recommendations to the Council for local coordination and state actions that can address barriers
 - Develop recommendations for mechanisms in future state funding programs to incentivize planning with the goal of near-term implementation
- Funding Wizard on CoolCalifornia.org--Phase 3 (\$50,000)
 - Engagement, training and outreach
 - Tool development--enhance user experience
 - Expand analytics and metrics

For local implementation request:

- Purpose: understanding the implementation trajectory for Round one SGC-funded Specific and Corridor Plans
- Process: Survey and interview process with grantees to learn about the challenges, opportunities and expected actions resulting from plans
- Outcomes: Suggested policies and best practices for technical assistance, and recommendations for local and state government actions to support plan implementation and for informing funding programs

Questions that will be asked of grantees include:

- How the plans will come to fruition
- Expected timeframes for development and construction
- Challenges that need to be addressed in the implementation of planned development
- People or policies that support or promote planned development
- Local and state government actions that can reduce challenges and support implementation efforts

Secretary Dooley and Secretary Laird have left the meeting.

3:34 p.m.

Dana Papke Waters, Air Pollution Specialist, California Air Resources Board: In 2009, CARB approved a toolkit for local government per AB 32 to encourage voluntary steps to reduce greenhouse gas emissions. Locals said a database of financial incentives was a needed gap. In 2010, CARB approved funding for Phase I of the Funding Wizard to reduce climate change impacts. Within one year, it received 9% of site views. In 2012, SGC funding allowed the tool to expand focus to sustainable communities. In 2013, the tool generated 22% of general site page views and 11,000 hits. It's the second most popular tool on Cool California website. Climate Calculators are the most popular tool.

We are requesting amount \$50,000 to support phase three of the Funding Wizard to promote engagement, training, and outreach, enhance user experience by developing the tool, and expanding analytics and metrics.

Outcomes:

- Better coordinate state grants for planning and implementation of sustainable communities: improved interaction and increased use by SGC agencies
- Measure success of outreach and training: track how people are using the tool and number of users interested in SGC member agency grants
- Further enhance and promote the tool: distribution of information can help implement planning grants

3:39 p.m.

Grassi: Proposed timeline: Commence work in July 2014 and complete SCG Funded Planning Efforts: Understanding Approaches and Best Practices for Successful Implementation in December 2014; Enhancing Funding Wizard Phase Three would be completed in December 2015.

Undersecretary Goldstone: Regarding the first request, understanding implementation, aren't the grantees required to submit reports?

Grassi: Yes, but its specific to the tracking progress on tasks. This is limited to the plan, we are asking about implementation of the plan.

Undersecretary Goldstone: Why do we need a consultant to do this?

Grassi: Department of Conservation reviews the reports. At the time the grants were given out, they were specific in what they asked. I did do a review of Round 1 grantees and it was pretty time intensive. This would ask a lot more questions and get into implementation.

McCoy: We often don't know for a long time. Among other things we try to find early indicators of success and direction and get ideas we might disseminate to others to move projects forward to get a shovel in the ground.

Chair Alex: I will provide some background because this has been an issue that I have been concerned about. We have asked Liz to look at adding additional requirements for further evaluation and I think we will be doing that. The concern that I have of this and a lot of other government grant programs is that

we don't have follow up to what they do next to tie to the next piece of funding or to have some continuity to have it grow over time in a community. The council had directed Liz and staff to start doing that on Round 1 as well as Round 2. What we are trying to do here is to have a more rigorous process to tie that all together.

Undersecretary Goldstene: Is \$50,000 enough?

Grassi: We are looking at what we need.

Undersecretary Goldstene: The Funding Wizard is awesome.

Chair Alex: Feedback has been very complimentary.

Councilmember Rodriguez motions. Undersecretary Goldstene (BSCH) seconded.

The vote passes with (Yes-No-Abstain): 5-0-0.

Councilmembers Dooley and Laird are not present for the vote.

3:46 p.m.

Agenda Item #9: General Public Comments

Jack Shu, President, National Forest Foundation: References to the graph handout and the [California Executive Order S-3-05](#).

Chair Alex: For clarification, the Executive Order is from the previous Governor. We have a similar Executive Order from the current Governor.

Shu: The Executive Order still applies. The handout is about water issues, public health issues, and economic issues in building a better California. This chart shows an increase in greenhouse gas emissions. This was taken from SANDAG's plan, and yet they approved the RTP. I handed out a letter to the Coastal Commission from former Senate Pro Tem James Mills asking the commission to look at alternatives before approving a public works project to expand I-5. Because SANDAG didn't look at it, and Caltrans didn't look at it. Caltrans' transportation planning is not in compliance with the Executive Order S-3-05.

3:51 p.m.

Agenda Item #10: Meeting Adjourned

The meeting is adjourned.